

TIP Funding and the Distribution (Equity) Formula

**Calvin Leggett, P.E.
Manager**

**Program Development Branch
North Carolina Department of Transportation**

**Joint Legislative Transportation
Oversight Committee**

April 6, 2010

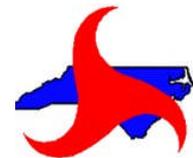


The North Carolina Highway Trust Fund

HB 399 became law on July 27, 1989.

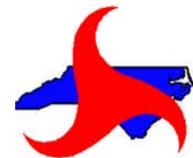
Four Goals established:

- Complete the “Intrastate Highway System”
- Build multi-lane connector or “Loop” roads near seven major urban areas (Asheville, Charlotte, Durham, Greensboro, Raleigh, Wilmington and Winston-Salem)
- Pave state maintained dirt roads
- Increase by 50 percent the Street Aid to Municipalities allocation (Powell Bill Funds)



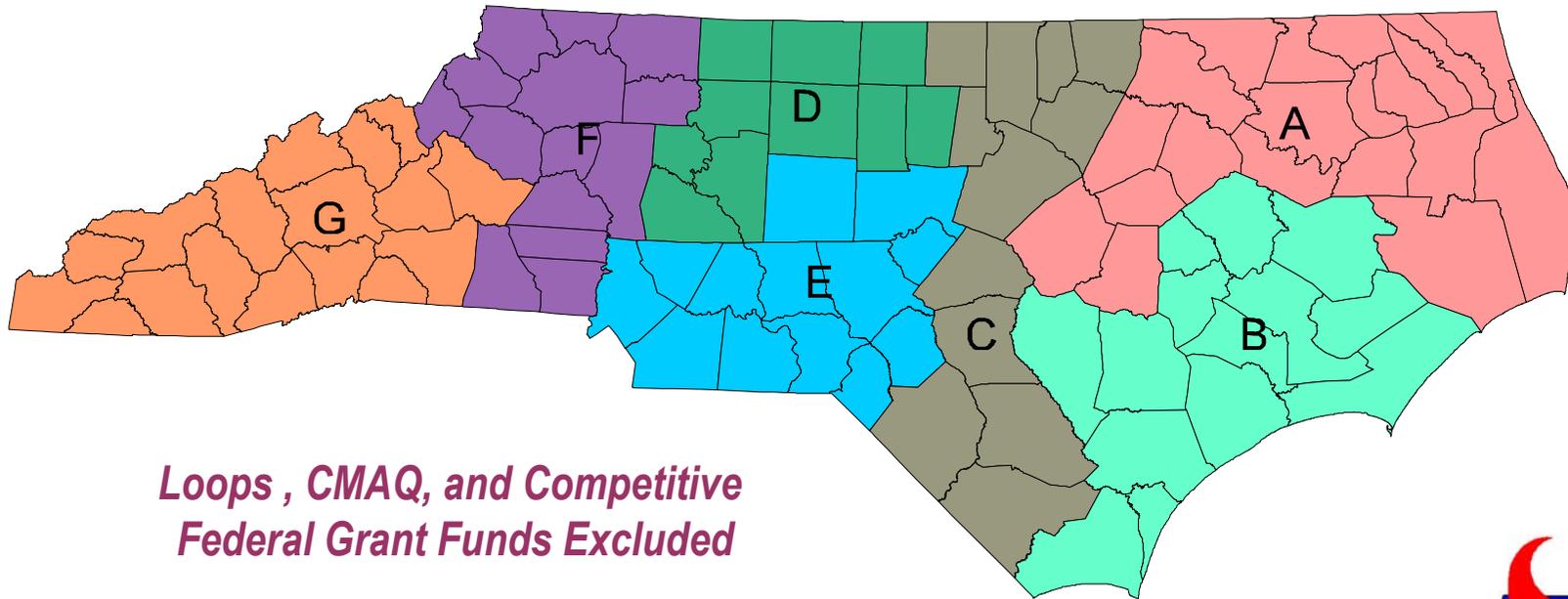
1989 Distribution Formula for Funds Expended on Intrastate System and Transportation Improvement Program

- Applies to all funds
- Seven regions of state established
- Until 90% of the mileage of the Intrastate System projects are completed, funds will be distributed as follows:
 - 25% remaining Intrastate System miles to complete
 - 50% Estimated Population
 - 25% Equal Share
- After 90% of the mileage of the Intrastate System projects are completed, funds will be distributed as follows:
 - 66% based on population
 - 34% equal share

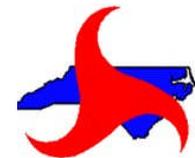


1989 Equity Formula

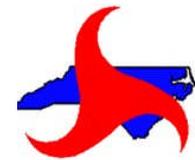
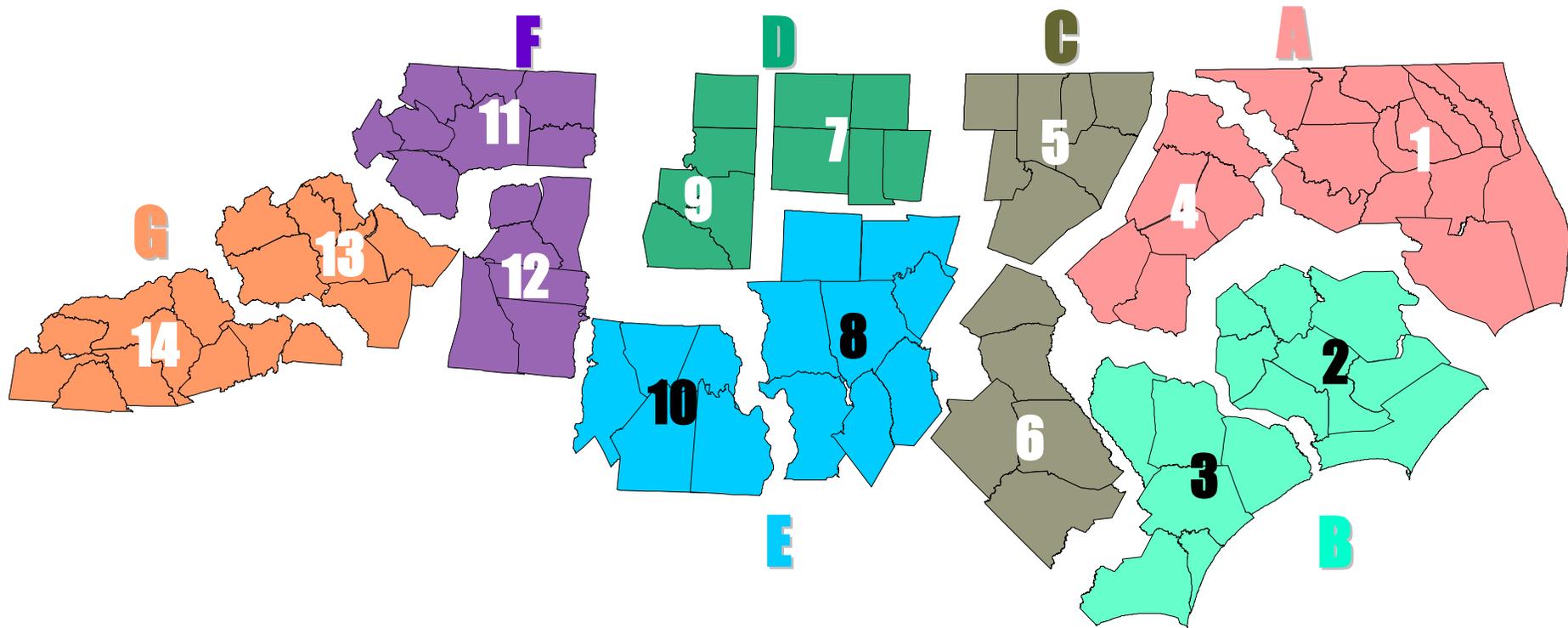
50% POPULATION OF REGION AS PERCENT OF STATE	25% REMAINING INTRASTATE SYSTEM MILES	25% EQUAL SHARE
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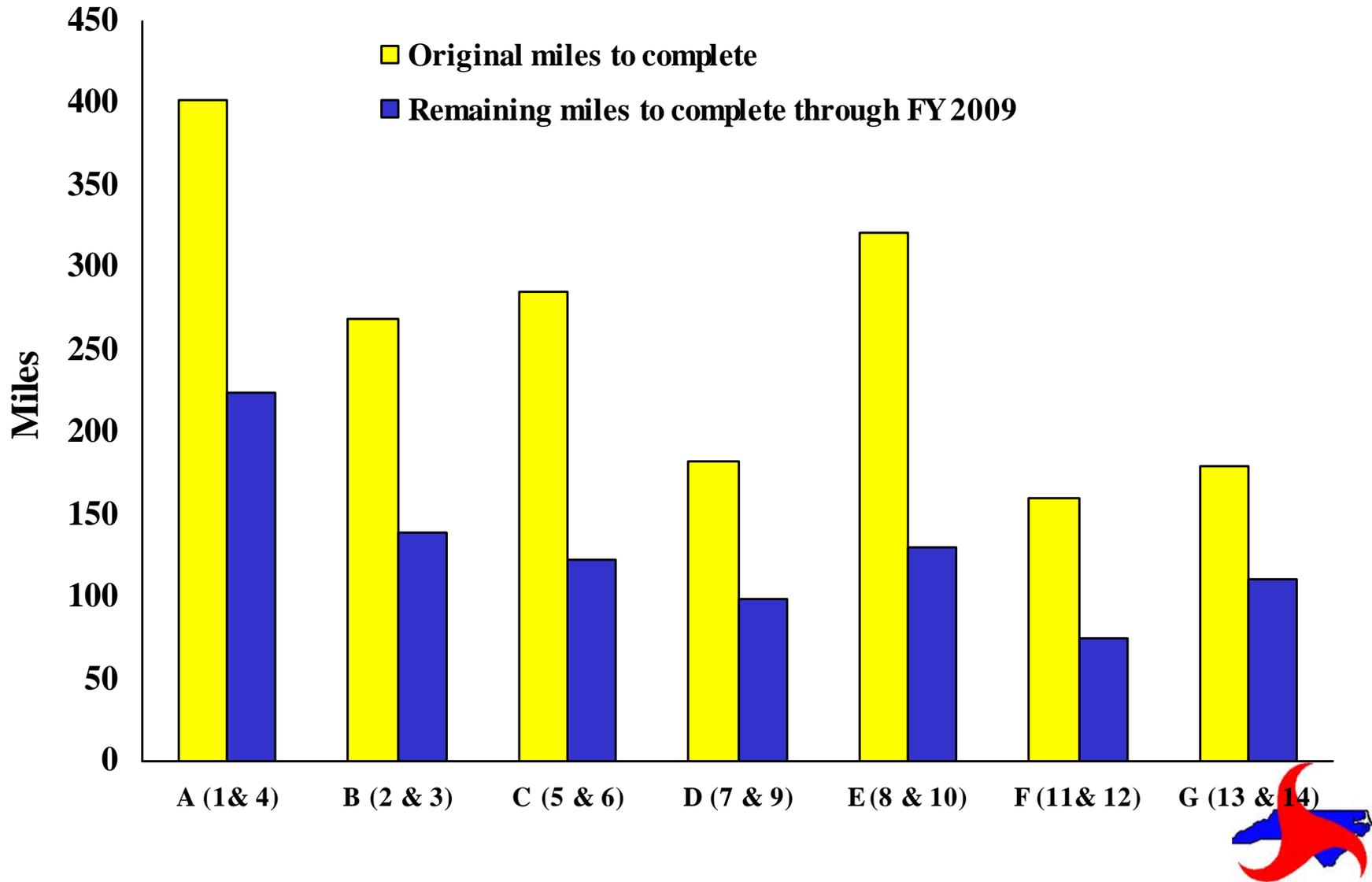
*Loops , CMAQ, and Competitive
Federal Grant Funds Excluded*



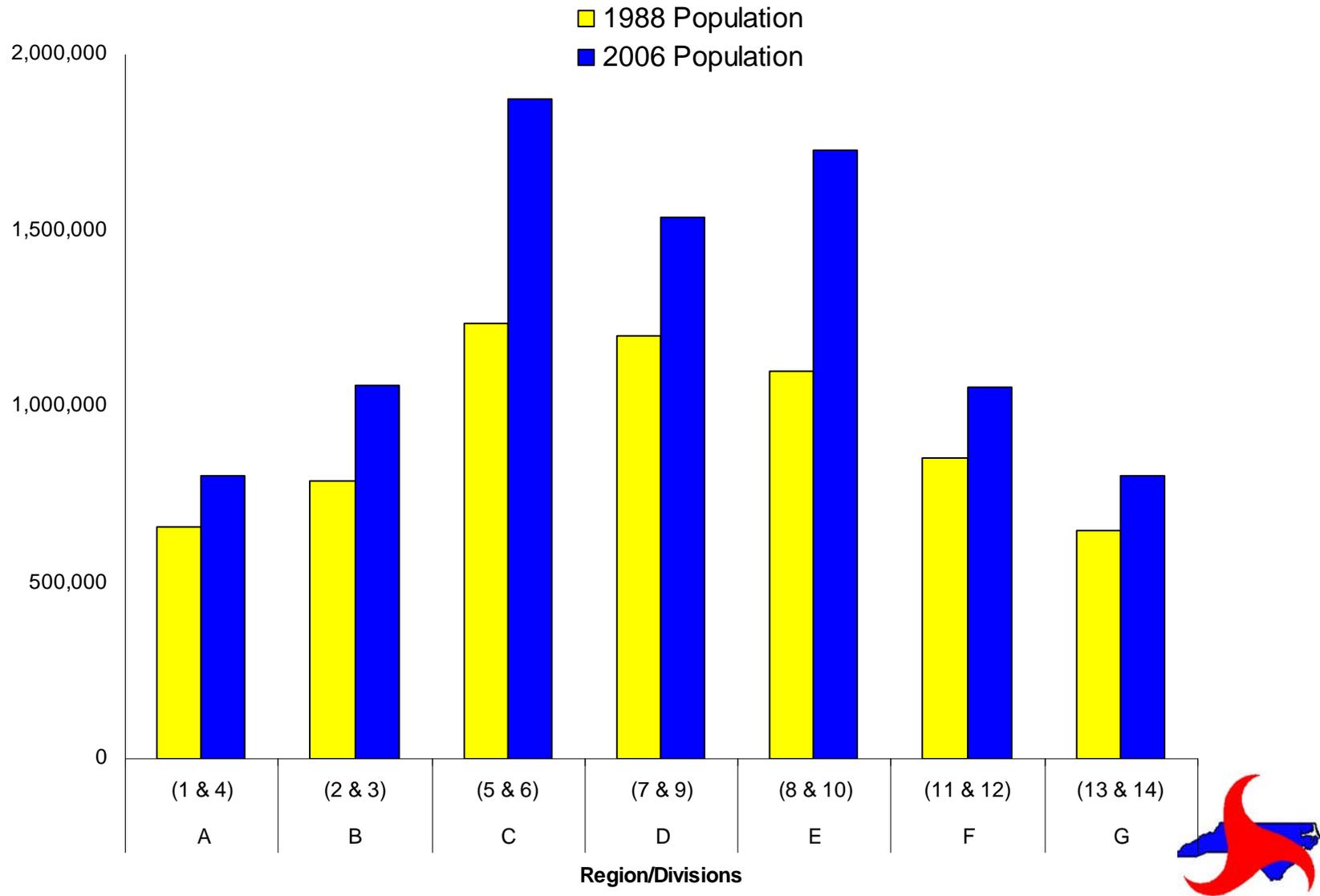
Relationship Between Divisions and Funding Regions



Remaining Intrastate Mileage

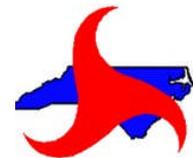


Certified Population



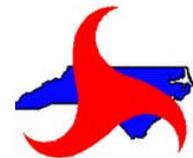
Exemptions to Distribution Formula

- Urban loops
 - Exemption in original law
- Competitive awards or discretionary grants through federal appropriations
 - Exemption added effective July 1, 1999
- Federal congestion mitigation and air quality improvement program funds (CMAQ)
 - Exemption added effective July 1, 2000
- NOTE: The Equity Formula only applies to about a third of DOT Expenditures. The General Assembly and the Department have created other formulas that apply to DOT expenditures on maintenance, rail, transit, aviation, etc.



System Adjustments

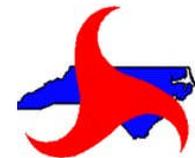
- **1989:** Legislature included 926 miles of Intrastate and 112 miles of Loop
- **2003:** Legislative Session removed 9.3 miles from the Intrastate system and added 103.6 miles to the Loop System, adding Fayetteville Western Outer and Greenville loops.
- **2004:** Legislative Session added 50.7 miles to the Intrastate System and 63 miles to the Loop System, adding Gastonia Loop.



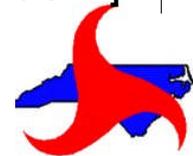
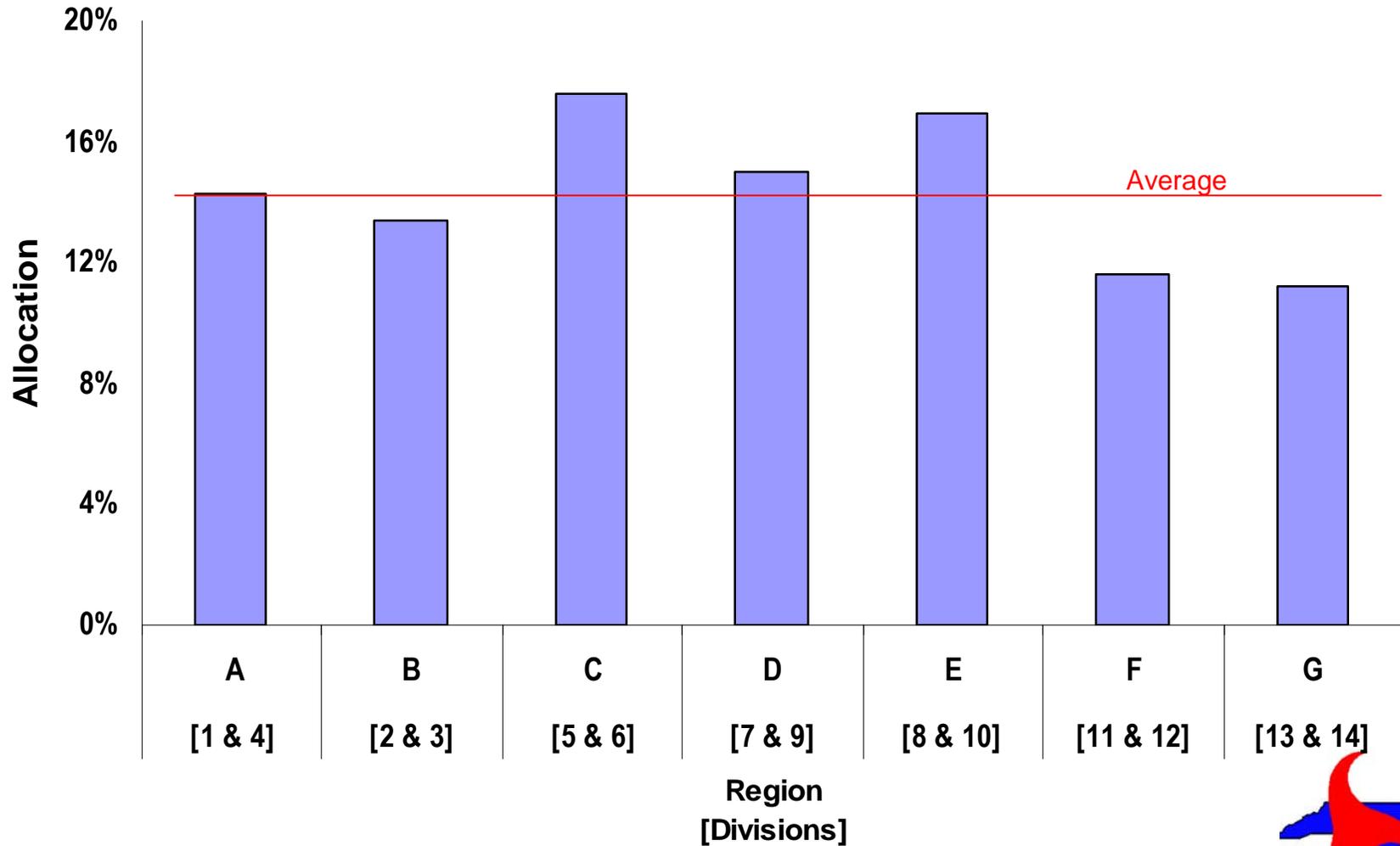
Annual Funding Balance

Year Region	2009	2010	2011	2012	2013	2014	2015	Total
A								
B								
C								
D								
E								
F								
G								
Total								

Each Region's total must be within +/- 10% of the
calculated Equity Target Amount

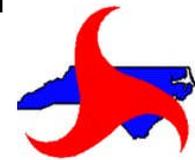
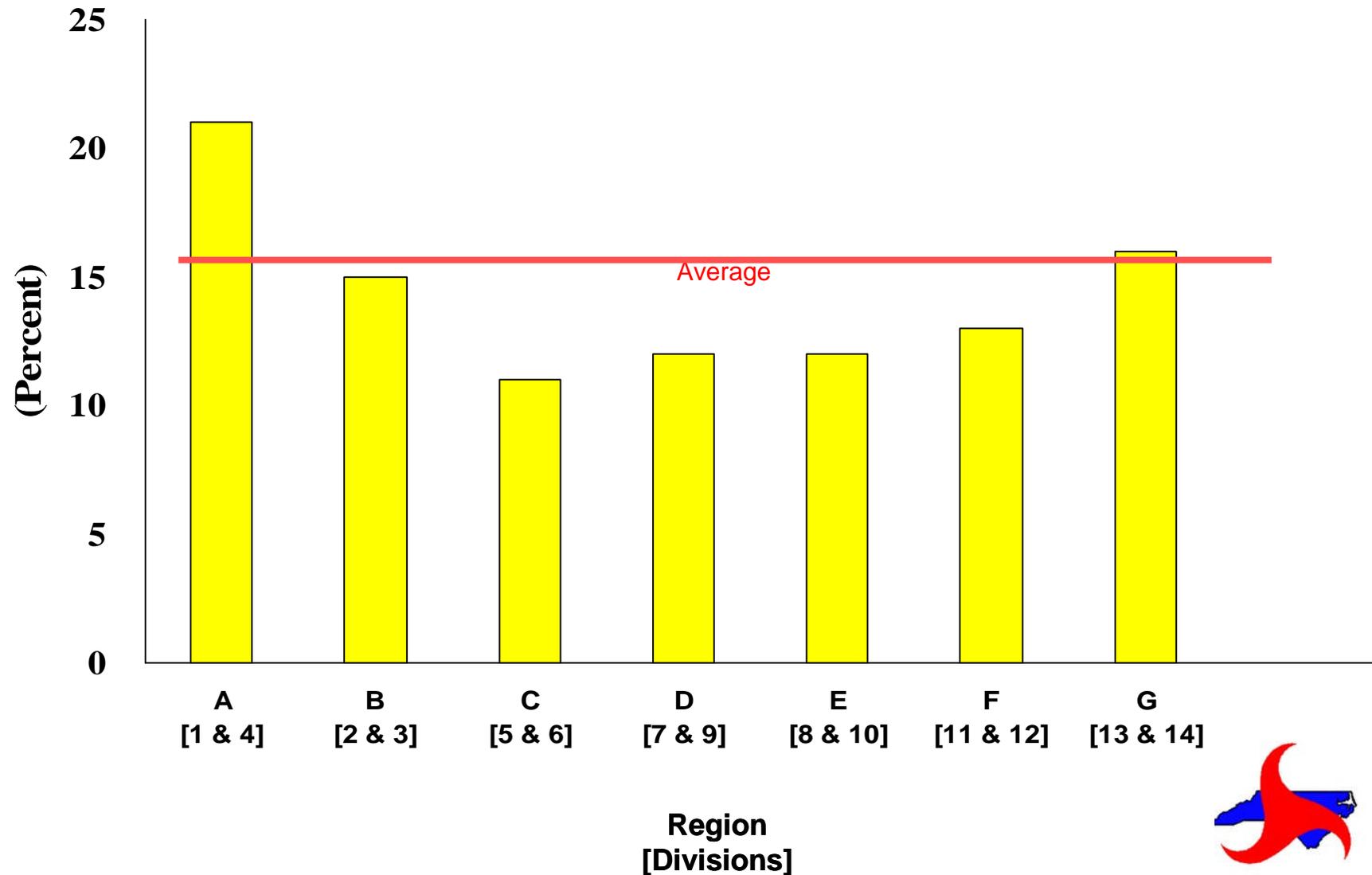


TIP Equity Formula Allocations 2009-2015



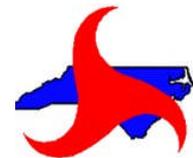
TIP Equity Formula per Capita Allocations

2009-2015 TIP



Adjustments to Distribution Amounts

- Every two years, a regions' allocation and actual authorizations are compared. Future allocation targets are adjusted to comply with the distribution formula if needed.



Distribution Adjustment Process

- Calculate actual authorizations by Division from 2000 through the previous fiscal year
- Compare the amounts authorized to the revenue amounts derived by formula for each Division (this creates a +/- adjustment factor)
- The formula calculated target value for the next 7 years is then modified up or down by the adjustment factor value

